



Rural Vistas

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Utah's Rural Economic Development Newsletter



Mike McCandless, Emery County
Economic Development

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Rural Utah Applauds PSC Ruling on Gas Line Extensions

Rural economic development leaders are applauding a ruling by the Utah Public Service Commission (PSC) that could reduce the cost of a natural gas service line extension by as much as 30 to 50 percent. The change in policy will reduce line extension costs statewide, but will be especially beneficial to customers with longer than average line extensions in low density developments – as is often the case in rural areas.

In the same ruling, the PSC adopted changes that could also reduce the cost of main line extensions costing over \$200,000, by allowing competitive bidding to take place.

“We’re ecstatic,” says Mike McCandless, Emery County Economic Development Director. “It’s taken a long time to get to this point, but it’s where we want to be.”

Getting to this point has taken several years. McCandless and Millard County Economic Development Director, Linda Gillmor, have been leading the rural effort with the PSC, and are continuing

to work on other fronts to bring natural gas to rural communities and businesses that don’t yet have it.

In making the case to the Public Service Commission, McCandless cited his personal situation. He explained that the cost of extending a 1,000 foot natural gas line (3/4 inch) to his home was projected by Questar to be as much as \$32,000. Bids he solicited from qualified contractors put the actual construction costs at around \$5,000. As he looked



into the difference in the costs, he recognized an inequity in the system, and began the pursuit to address the issue.

Until now, Questar has operated on a credit based system for service line extensions. Questar would allow a credit of roughly \$750 toward the cost of extending service to a home. The cost charged by Questar against the credit was a "loaded cost," which means it included Questar's internal processing and overhead costs, in addition to the actual construction costs for installing the gas line. For homes in developments where the credit could be aggregated among a large number of connections, the credit covered the entire cost of the connections. But for a lone connection, which is typical in rural areas, this "loaded cost" often exceeded the credit amount, and resulted in an additional installation charge to the customer.

Under the new policy, Questar will absorb the internal overhead costs of a service line extension, which will reduce the installation cost by as much as 50% on a typical installation, and the customer will pay only the actual installation construction costs. Additionally, much of this cost can be offset by energy efficiency rebates offered by Questar.

"To Questar's credit, once they understood the concern, they worked with us in good faith to try and resolve it," added McCandless.

In an unusual move, the Public Service Commission approved the changes as a pilot program until December 31, 2016. A workgroup will be convened to evaluate the policy changes as they are implemented and potentially suggest additional adjustments before the policy becomes permanent.

Only a First Step

Reducing the cost of gas line installations is viewed by McCandless as an important step forward for rural residents and businesses, but there is still much work to be done to achieve the ultimate goal of extending natural gas service to many businesses and communities in rural Utah that currently don't have access to natural gas.

McCandless and his counterparts are also working on other natural gas initiatives with important economic development potential for rural Utah. These include creating a source of financing for communities willing to borrow money in order to bring natural gas to their towns, and to also establish a separate revolving loan fund to finance the cost of running lines to a business enterprise located outside of town.

Preliminary discussions are currently underway exploring options for loaning money to communities to enable them to take on main line extension projects to their unserved towns.

The need for a Revolving Loan Fund (RLF) specifically for business needs first became apparent in working with Utah's turkey farmers. For obvious reasons, large turkey operations are located a mile or two outside of town. The problem they faced is that banks will not lend money to a business to install a gas line because a gas line is not an asset that has any collateral value for a bank. In situations like these, the Revolving Loan Fund would be able to bridge the gap in cases where private lending is unable to help.

Rural Summit Slated for August 7 & 8



Mark Eaton will keynote 2014 Summit

The 27th annual Utah Rural Summit will be held August 7-8, 2014, in Cedar City, Utah. Headlining the conference as keynote speakers are Chuck Schroeder, Executive Director of the Rural Futures Institute, Jeff Yost, President of the Nebraska Community Foundation, and former Jazz player and NBA All-Star, Mark Eaton.

The Utah Rural Summit is recognized as the state's foremost forum for addressing issues that affect rural Utah. Centered around the theme, "Big Dreams in a Small Town," this year's gathering will feature speakers and sessions highlighting new ideas and best practices from other states -- and from within Utah -- that can be applied in Utah's rural communities and counties.

Keynote speaker Mark Eaton is a familiar figure in Utah, but many are not as familiar with his inspiring personal story, which took him from an obscure auto mechanic to an NBA All-Star. Today, Eaton is a professional motivational speaker, with speaking engagements across the country. Rural community leaders are sure to relate to his message of turning liabilities into assets, and overcoming self-imposed barriers.

The Utah Rural Summit is hosted by the Utah Center for Rural Life at Southern Utah University. Attendees include government and business leaders from across the state, and in addition to the keynote presentations, attendees are traditionally addressed by the Governor and other prominent national and regional speakers.



Jake's Rural Restaurant Guide

Editor's Note: Jake Hardman, GOED's Rural Outreach Coordinator, has now racked up over 15,000 miles in his travels across rural Utah. In his zeal to go the "extra mile," Jake has dutifully taken on the selfless task of seeking out the best places to eat in Utah's hinterlands, and generously sharing his gastronomic discoveries with the rest of us. There is something inherently unfair, however, in teasing our taste buds with thoughts of rhubarb red mush, but not sharing with us the address of his Aunt Marla.

List # 2: "What is red mush?"

You want my opinion? You want my take?

Garden City Chevron has the best raspberry shakes

Just don't ask the cops if a burger they will make

I know from experience, that's a costly mistake

In Wasatch and Sevier real Mexican is better than fake

El Mexicano in Salina boasts a burrito bursting with steak

Whilst Tony's Tacos in Heber scrapes your taste buds like a rake

In Sanpete you best stop at my Aunt Marla's, for heaven's sake

Warning- thoughts of her rhubarb red mush and mutton will keep you awake

With this knowledge you can't drive past but now must brake

Your tongue will be grateful, your belly will ache

*Disclaimer: By reading this poem, the reader hereby agrees that the gastronomic opinions contained herein shall be considered factual and the reader relinquishes all personal rights to form their own opinions and/or debate those of the writer. Violators will be prosecuted. — Jake Hardman



Tony's Tacos, Heber City, Utah



Garden City Chevron, famous for raspberry shakes



The Utah Center for Rural Life

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